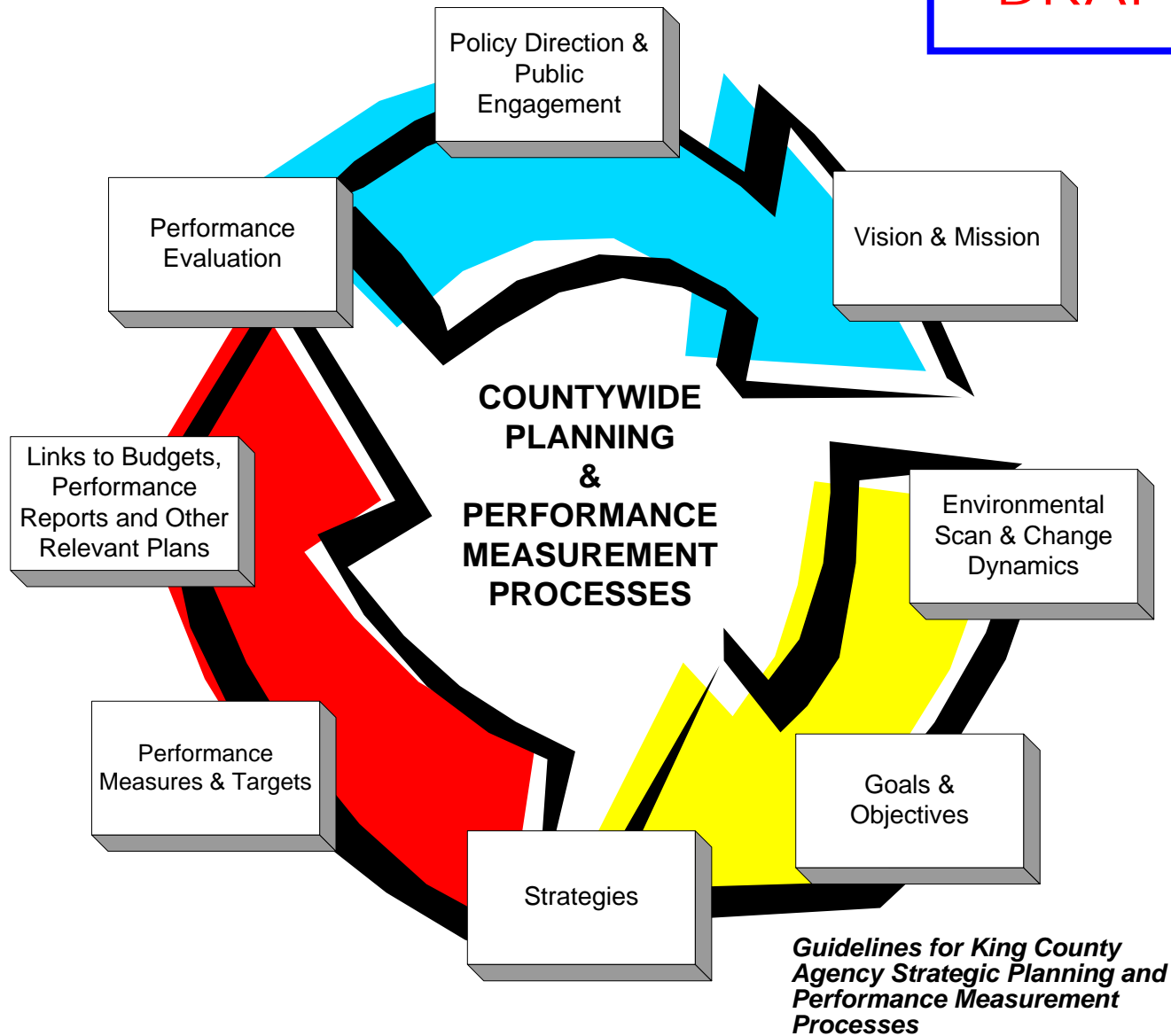


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Introduction to the Agency Planning and Performance Measurement Guidelines

The Agency Strategic Planning and Business Planning Guidelines were developed by the King County Performance Management Work Group. The guidelines are the result of a collaborative effort among the representatives from all branches of County government in the hopes of creating a useful planning tool for all County agencies.

The guidelines build upon the Business Plan Guidelines that were developed by the Work Group in 2004 and have been included as part of the annual budget instructions by the Office of Management and Budget since 2005. Since strategic plans have not been required in the past, Business Plans have been a bit of a hybrid between a strategic plan and business plan with both strategic and tactical components in the plan. In this new version of planning guidelines the strategic and tactical aspects of strategic and annual planning have been separated and clarified.

The guidelines contain suggestions for both agency strategic plans and business plans in a side by side presentation. The presentation is intended to show the linkages between the plans and also show that developing a strategic plan every five years will streamline the annual business planning effort, since many components such as mission, vision, goals and some performance measures will largely remain the same from year to year.

It is also important to note that the Performance Management Work Group is very aware of the limited planning resources in all County agencies. Therefore the plan requirements are intended to emphasize that the plans should be very brief documents that summarize an agency's thoughtful consideration of strategic and tactical issues.

As the Countywide Planning and Performance Management capabilities evolve over time, so will the guidelines. This is a dynamic document and the Performance Management Work Group welcomes your comments and suggestions to help us continue to improve the County's ability to maximize the effectiveness of planning and performance management efforts.

Guiding Principles

- Strategic plans should cover a five-year time frame and link to a countywide plan, when it is developed.
- Strategic plans should be living documents, reviewed and updated as needed every year.
- Annual business plans would update the strategic plan as needed and contain specific information on annual goals, measures, etc.
- There was general consensus on the chief characteristics of model plans and measures:
 - Useful
 - Relevant and important
 - Clear and transparent
 - Concise

Guideline Organization

The King County Performance Management Work Group's suggestions and helpful hints for agency planning and performance measurement processes follow in this document and are organized in the following sections:

- Policy Direction
- Public Engagement
- Vision
- Mission
- Environmental Scan & Change Dynamics
- Goals and Objectives
- Strategies
- Performance Measures
- Performance Targets
- Performance Benchmarks
- Links to Budgets, Performance Reports and Other Relevant Plans
- Performance Evaluation

Policy Direction

Legislative policy direction provides the charter for why a government entity should exist. It includes relevant laws, ordinances, motions, and other forms of articulated policy. Policy direction should provide focus for the business plan and performance measures. Community indicators should be used to inform and monitor the impact of policy direction in terms of broad outcomes. (Note that community indicators are also included in the performance measurement section of this document on pages 16 and 17.)

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Include a summary of current policy guidelines in your strategic plan. Once written, this section will only need to be modified when there are changes made to your policy direction.	Include a short summary of the policy guidelines that appeared in your strategic plan. This section will only need to change in your business plan if significant policy direction has changed.
Questions To Ask:	
1. What is the overall legislative intent of the organization?	1. Did policy direction change since the last strategic plan? If policies did change, update the policy direction section of your business plan using the strategic plan guidelines as a reference.
2. What are the policy drivers that set direction and budget priorities for the department or agency? (such as adopted policy, task force and commission reports, the Countywide strategic plan or Council policy)	2. Do community indicators suggest that policy direction needs to change to achieve desired end outcomes in the community?
3. Are there conflicts or gaps between Council policies, policy directives of the Executive or other elected officials, and the department/agency policies?	
4. Do community indicators suggest that policy is producing the intended results?	

Policy Direction - continued

Helpful Hints

- Confirm applicable laws and ordinances.
- Look for statements of policy or lack thereof.
- Policy often is unclear. Does it need clarification?
- Policy needs to be linked throughout the business plan and performance measures.

Public Engagement

Public engagement and input can provide agencies with insight into how government services are perceived by the general public. At a Countywide level, there are high level education and public input processes underway that are continually evolving. Public input from the Countywide process might apply to individual agencies.

Customers are the direct consumers of the products and services of an agency. Customers could be a subset of the general public or other County agencies in the case of internal service providers. Customer input can provide valuable insight into perceived service levels and the value of service attributes.

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
If your agency does have a public input process it should feed your strategic plan.	Your annual business plan does not necessarily need to include a public engagement section unless it is relevant to your agency.
Questions To Ask:	
1. If public input is relevant to your agency, does the public indicate that your agency's image needs to improve? In what way does your image need to improve?	If applicable, please briefly explain any annual activities, etc. pertinent to the five questions on the left.
2. Who are your customers? (segments of the general public, other agencies, etc.)	
3. Do current service levels meet customer expectations?	
4. What aspects of your services do customers value most? (price, convenience, quality, etc.)	
5. What suggestions do your customers have for improving services?	
6. Are customers willing to pay more for improved service levels?	

Guidelines for King County Agency Strategic Planning and Performance Measurement Processes

Helpful Hints

- Determine if the public outreach conducted at a Countywide level provides any information relevant to your agency.
- Seek the assistance of individuals that are knowledgeable about various survey and public involvement and customer research tools and techniques to advise your agency on the pros and cons of each survey option.
- Determine the cost benefit of gathering customer input to determine the scale and frequency of your customer research activities.
- Be sure to relate cost with service levels when asking for input.

Vision

The vision statement describes a picture of what the agency would like to achieve by delivering on the stated mission.
The vision should be stable and can be very long-term and difficult to achieve.
The main issue is that the vision needs to be specific to the mission of the organization.

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review and update the agency vision if necessary during the strategic planning process.	Copy the vision from your strategic plan into your business plan, unless you feel that the agency's mission warrants an update. If so, use the strategic plan update questions to ask (on the left) as a reference guide.
Questions To Ask:	
1. When a Countywide vision is established, does the agency vision link to the countywide vision for the future?	
2. Does the vision directly relate to a state that results from pursuing the mission of the organization?	
3. Is the vision consistent with policy guidelines?	

Helpful Hints

- Vision statements should be inspiring, yet they still need to be specific enough to describe an end state that is related to the department's or agency's mission. For instance, the Department of Development and Environmental Services vision seems broad yet it still describes an end state that the department can affect, "DDES is a regional leader promoting responsible development and environmental protection for quality communities."
- The vision should not include strategies for achieving the desired end state, because the strategies for achieving the vision will and should be encouraged to change over-time.

Mission

The mission statement should state the purpose of the organization.
The purpose needs to be described in terms of the outcomes or results the organization wishes to achieve.

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review and update the agency mission if necessary during the strategic planning process.	Copy the mission from your strategic plan into your business plan unless you feel that the agency's mission warrants an update. If so, use the strategic plan update questions to ask (on the left) as a reference guide.
Questions To Ask:	
1. Does the mission describe the purpose of the organization?	
2. Is the purpose described as outcomes or limited by specific strategies for delivering the purpose?	
3. Is the mission consistent with the policy guidelines provided?	

Helpful Hints

- The mission should state the purpose of the organization without stating how the mission would be carried out. It is limiting to describe specific strategies of how the organization plans to fulfill their purpose, because the strategies will and should be encouraged to change over-time. For instance, it is more appropriate for a transportation department to state their purpose as providing mobility – versus providing bus service to the public?

Environmental Scan & Change Dynamics

5 Year Strategic Plan	Annual Business Plan
<p>Every County agency or department strategic plan should include a discussion of the strengths, weaknesses, opportunities and challenges presented by changes in the agency's internal and external business environment. This is often called a <i>Strengths, Weaknesses, Opportunities, and Constraints</i> (SWOC) analysis.</p> <p>Change dynamics are significant positive or negative factors that can be internal or external to the organization that affect the organizations efforts to fulfill their mission and vision over the next 3 to 5 years.</p>	<p>The change dynamics included in business plan do not require a full SWOC analysis as performed for the strategic plan. The business plan change dynamics section should include a brief summary of the SWOC analysis from the strategic plan.</p> <p>In addition, the business plan change dynamics should include a discussion of any shorter term change dynamics that are significant positive or negative factors that can be internal or external to the organization that affect the organizations efforts to fulfill their goals and targets in the next year.</p>

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Update the agency SWOC during the strategic planning process.	Update the agency change dynamics in the business planning process.
Questions To Ask:	
1. What are the internal and external issues/opportunities that the organization will face in the next 3-5 years?	1. Are there internal and external issues/opportunities that the organization will face in the next year that are different from the issues identified in the strategic plan SWOC analysis?
2. What strategies will the organization take as a result of these issues and opportunities?	2. How are these short-term change dynamics expected to impact implementation of the long-range strategies in the next year?
3. Are strategies consistent with the overall policy direction provided to the organization, as well as the goals and objectives?	3. How will the agency modify the long-term strategies to compensate for short-term change dynamics?

Change Dynamics/Environmental Scan - continued

Helpful Hints

- With a Countywide strategic plan in place, the Countywide SWOC analysis can provide input to the agency environmental scan. The agency level SWOC analysis will deal with more detail and issues pertinent to your specific agency.
- Internal change dynamics could be something like exceptionally high staff turnover rates that impact the organization's ability to retain knowledge or develop leaders.
- Other internal issues of concern could be dramatic changes in the status of current technology or staff competencies that would impact the organization's ability to fulfill the mission.
- External change dynamics could be changes in economics or funding, changes in customer/population mix, or developments in technology that could affect the organization in fulfilling their mission.
- The most important aspect of including change dynamics in the strategic and business plans is that each issue should be associated with a strategy for taking advantage of opportunities that present themselves or mitigate the impact of negative influences.
- Strategies to address change dynamics should be consistent with policy direction.

Goals & Objectives

5 Year Strategic Plan	Annual Business Plan
<p>Goals are results or outcomes that the organization plans to focus on in the coming 3 - 5 years. Agency goals should be linked to the County goals in the Countywide Strategic Plan.</p> <p>Goals are not intended to state every result or mandate of the organization - only the areas of focus.</p>	<p>Goals in the business plan should show linkages to the goals from the agency strategic plan. The business plan should restate the long-term goals defined in the strategic plan. The business plan should also include objectives.</p> <p>Objectives are <i>specific outcome statements about what you hope to accomplish during the next 1 -2 years</i>. Although objectives are linked to goals, they are more narrowly defined. In contrast to goals, objectives are operational and focus on short-term priorities.</p>

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Develop or update the agency goals during the strategic planning process.	Review and update the agency's 3 - 5 year goals if necessary during the business planning process. Develop objectives that define the agency's priorities over the next 1 - 2 years.
Questions To Ask:	
1. Are goals linked to policy direction? (Legislated, countywide, branch, OMPs, and other multi-agency efforts)	1. Are the objectives clearly linked to the agency's goals?
2. Are the goals outcome/results oriented? Are they measurable?	2. Do objectives reflect the agency's priorities for the next one to two years?
3. Does it seem realistic that the organization could act on all of the goals identified?	3. Are objectives clearly linked to budget priorities?
	4. Are objectives measurable through a new measure or related to an existing measure?

Helpful Hints

Goals:

- Goals may change from time to time - but should not regularly change with annual updates of the business plans.
- Goals should be SMART: specific, measurable, attainable, realistic and time-bound.
- Goals should be linked to countywide goals whenever practical.
- Goals should relate directly to policy direction.
- Goals should inform long-term targets and performance measures.

Objectives:

- Objectives should be specific and linked to goals.
- Objectives should have a more short-term focus than goals.

Strategies

5 Year Strategic Plan	Annual Business Plan
<p>Strategies are the approaches necessary to accomplish goals or objectives. Strategies are generally more complex than a single activity. Strategies may include entire programs, new initiatives, collaboration with other organizations or departments, or organizational changes that are intended to achieve a goal or objective.</p> <p>In the strategic plan, strategies should have a 3 - 5 year focus.</p>	<p>Strategies are the approaches necessary to accomplish goals or objectives. Strategies are generally more complex than a single activity. Strategies may include entire programs, new initiatives, collaboration with other organizations or departments, or organizational changes that are intended to achieve a goal or objective.</p> <p>In the business plan, strategies should have a 1 - 2 year focus.</p>

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Develop 3 – 5 year strategies to meet the goals articulated in the agency's strategic plan.	Review and update the agency's 3-5 year strategies, and define the strategies that the agency will focus on over the next 1-2 years.
Questions To Ask:	
1. Will the identified strategies help the agency achieve 3 – 5 year goals identified in the strategic plan?	1. Will the identified strategies help the agency achieve the 1 - 2 year objectives identified in the business plan?
2. Are the strategies realistic?	2. Are the strategies realistic?
3. Have potential partners or available resources been defined?	3. Have potential partners or available resources been defined?

Helpful Hints

- Strategies articulate what the agency will do to achieve its goals or objectives.

Performance Measures

Performance measures that are most important from an oversight perspective normally include outcome, efficiency and effectiveness measures that directly link to agency goals. Community indicators should also be used to monitor broad trends in the community to inform and monitor policy and strategic direction of agency priorities and programs. (Community indicators are also discussed in the policy section of these guidelines on page 4.)

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review and update the agency performance measures if necessary during the strategic planning process. Ensure that there are performance measures to reflect each agency goal.	Include 1 - 2 performance measures for each goal (from the strategic plan). Each program in the business plan is also expected to have a set of measures that specifically reflect program performance.
Questions To Ask:	
1. Are there outcome measures for every goal? Do they accurately describe progress towards the goal?	1. Are there outcome measures for every goal? Do they accurately describe progress towards the goal?
2. Do goals have both efficiency and effectiveness measures to present a balanced view?	2. Do goals have both efficiency and effectiveness measures to present a balanced view?
3. Are there too many or too few measures?	3. Are there too many or too few measures?
4. While government programs do not fully control end outcomes, are community indicators used as a point of reference to understand broad trends in the community? Do community indicators suggest that current strategies are producing the intended results?	4. In the program assessments, is each program represented by a family of measures (outcome, efficiency, service quality and output)?

Guidelines for King County Agency Strategic Planning and Performance Measurement Processes

Helpful Hints

Departments/agencies can have a variety of measures. Some types of measures that are useful in providing oversight to an organization include:

- A **performance measure** is a quantifiable, enduring measurement of the amount, quality, efficiency or effectiveness of products or services produced by a program or agency.

Output measures – A measure of the number of units provided, amount of services provided or number of people served by a program or agency.

Efficiency measures – A measure that relates inputs to outputs. These can be expressed in two ways:

1. Unit cost – cost per unit
2. Productivity – cost per FTE

Effectiveness measures – measure the degree to which the organization has achieved its desired outcomes or the quality of the service or product provided. There are two types of effectiveness measures.

1. Service quality measures reflect customer/client/public satisfaction with quality, timeliness or other aspects of the service or product delivered.
2. Outcome measures reflect the extent to which goals, outcomes or objectives have been achieved.

Community Indicators – measure the end condition community outcome results that are broader than the efforts of government and well beyond a single program's control. When agency performance measures are shown to be relevant to community-level indicators they present a holistic picture of community conditions and King County government's role in improving those conditions.

- Every goal in the strategic plan and business plan should have at least one effectiveness measure associated with it.
- Outcome measures should be specific and time-bound. Often outcomes are so long-term or broad that it is difficult to say that one organization affected the outcome.
- Each program for which a program assessment is developed should have a full set of measures (outcome, efficiency, output and service quality).

Performance Targets

5 Year Strategic Plan	Annual Business Plan
A target is a quantified statement of what level of performance a program or agency plans to achieve over the next 3-5 years.	<p>A target is a quantified statement of what level of performance a program or agency plans to achieve.</p> <p>The business plan should contain targets for performance in the coming year as well as the long-term targets that appear in the strategic plan.</p>

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review and update the agency targets during the strategic planning process.	Review and update the agency targets during the business planning process.
Questions To Ask:	
1. Are there long-term targets? Are they consistent with goals and objectives?	1. Are there short (1 year) and long-term (3-5 year) targets? Are they consistent with goals and objectives?
2. Is a rationale for performance provided? Does it change from year to year?	2. Is a rationale for performance provided? How will performance in the coming year lead to achieving the long-term targets in the strategic plan?
3. What will the organization do differently to take full advantage of successes or mitigation short-falls in past performance?	3. What will the organization do differently to take full advantage of successes or mitigate short-falls in past performance?

Performance Targets - continued

Helpful Hints

- Targets should reflect the expected impact of department/agency strategies on progress towards achieving department/agency goals and objectives (which indicate the measurable change or target to be achieved in a specified time period).
- Targets should be realistic, based on resource levels and, to the extent possible, benchmarks (see below).
- Ideally, business plans should show long-term targets of success and short-term targets to show planned progress towards goals.

Performance Benchmarks

A benchmark is standardized level of good performance that provides a basis for comparing and understanding actual performance.

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review and update the agency benchmarks during the strategic planning process.	Performance benchmarks should be developed over time and incorporated into the annual business plans to provide a perspective on how agency performance compares to internal and external benchmarks. Use the strategic plan update questions to ask (on the left) as a reference guide
Questions To Ask:	
1. Are the benchmarks external or internal?	
2. Do they seem to have validity?	
3. How does actual performance compare to the benchmark?	

Helpful Hints

- Benchmarks for performance measures can be either external or internal.
- Benchmarks should show desirable levels of performance based on what others [external] have done or what a program/agency itself [internal] has achieved.

Links to Budgets, Performance Reports and Other Relevant Plans

5 Year Strategic Plan	Annual Business Plan
<p>Agency strategic plans should be linked to higher level guidance provided in the Countywide strategic plan, any available branch level plans or priorities, and relevant multi-agency collaborative planning efforts.</p> <p>The agency strategic plan should provide the basis for short-term planning that includes annual business plans and budget submittals.</p> <p>The performance measures that appear in the agency strategic plan should be linked with other higher level performance measures and be the source for performance measures that appear in reports that describe agency performance internally and externally. Operational measures should be linked with the strategic plans measures to ensure daily operations are aligned with the agency's strategic direction.</p>	<p>The agency business plan is the short-term action plan that informs the budget process for operations in the short-term. Short-term operations should result in progress towards the goals set out in the agency strategic plan.</p> <p>The business plan should be linked to the agency strategic plan that is aligned with Countywide strategic plan and any higher level branch or relevant multi-agency theme plans.</p> <p>The performance measures in the agency business plan should appear in operational performance reports and be aligned with more detailed performance measures used in managing operations.</p>

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Review linkages to other relevant planning and performance reporting documents during the strategic planning process.	Review linkages to other relevant planning and performance reporting documents during the business planning process.
Questions To Ask:	
1. Do the strategic plan goals link to any countywide guidance that is available?	1. Does the agency budget submission support the strategies defined in the business plan?
2. Do the strategic plan's performance measures link to the countywide strategic plan's performance measures? Do they link to any branch level or multi-agency performance reports?	2. Does the business plan link to the vision, mission, and goals of the agency strategic plan?

Guidelines for King County Agency Strategic Planning and Performance Measurement Processes

3. Do the strategic plan performance measures appear in agency and county performance reports? ? Even if the same measures are not in the performance reports, are they related to the measures that are presented?	4. Is it evident that the business plan reflects the goals and priorities of the higher level planning documents such as the Countywide strategic plan or any relevant branch, theme or multi-agency plans?
	5. Do the business plan's performance measures appear in the agency's operational performance reports? Even if the same measures are not in the performance reports, are they related to the measures that are presented?

Links to Budgets Performance Reports and Other Relevant Plans - continued

Helpful Hints

- Budget submissions should address performance-related information consistent with the components of the business plan.
- Identify performance anomalies such as radical changes or missed targets and seek clarifications and explanations.

Performance Evaluation

5 Year Strategic Plan	Annual Business Plan
Review department/agency or program performance process to identify strong and weak performance based on outcomes. Use the evaluation as part of the strategic plan update process to promote continuous improvement in planning and performance management.	Review department/agency or program performance at least on a quarterly basis. Use this evaluation for course correction by modifying operational strategies that do not appear to be producing the expected results.

Plan Update Guidelines

5 Year Strategic Plan	Annual Business Plan
Prior to your strategic plan update, the agency should conduct a performance evaluation of the existing strategic plan, the process used to develop the plan and the progress the agency has made in attaining the performance improvements that were defined in the plan.	Review operational performance relative to the business plan's performance measures and targets at least on a quarterly basis. The goal is to make the business plan and performance measures part of routine management practices to ensure daily operations are consistent with the goals and strategies that have been funded by the annual budget process.
Questions To Ask:	
1. Can program results and performance (efficiency and effectiveness) be evaluated using the strategic plan?	1. Is performance consistent with the mission, vision, and goals? If not, does the plan need to change, or do management practices and operational activities need to change?
2. Is performance consistent with the mission, vision, and goals? If not, does the plan need to change, or do management practices and operational activities need to change?	2. What is causing variances between goals/targets and actuals? Were there unanticipated change dynamics? Do agency strategies need to be modified?
3. What is causing variances between goals/targets and actuals? Do agency strategies need to be modified?	3. What is the justification (& validity) for the performance measures and targets? How should they be modified in the business plan update?
4. What is the justification (& validity) for the performance measures and targets?	4. How are outcomes (& outputs) influenced by how resources are deployed or budget levels? What budget assumptions should be incorporated into the business plan update?

Performance Evaluation - continued

5 Year Strategic Plan	Annual Business Plan
5. How are outcomes (& outputs) influenced by how resources are deployed or budget levels?	5. What can be done differently: more efficiently and effectively?
6. What can be done differently: more efficiently and effectively?	6. Do managers in all divisions and at all levels use the business plan and performance measures to assist them in effectively manage their section and implement the strategies defined in the plan? If not, how can we support improvement in our agency's performance management practices?
7. Are all employees aware of the agency's strategic priorities and direction? Do communication strategies need to be modified?	
8. Did the process used to develop the last strategic plan deliver the outcomes we had hoped for? How might we improve the process this time?	

Helpful Hints

- Performance audits such as those performed by the King County Auditor can provide in-depth reviews of performance. They may provide answers to questions when performance data is not reported.
- Other types of policy and impact reviews may be conducted by council or department/agency staff.
- Use outcome information and make comparisons, as appropriate, to other jurisdictions.
- Schedule follow-up activities as needed.
- Assert performance criteria if the agency does not have any.